

TESTIMONY COVER SHEET

FOR

Bernard Simmons

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Testifying on behalf of the

National Association of Community Health Centers

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Before the House Energy & Commerce Committee
Subcommittees on Health and Oversight and Investigations

On September 22, 2005

Summary:

Health Centers across the country, but especially those in America's Gulf Coast, are responding to Hurricane Katrina and the declared public health emergency. At the same time, Health Centers in Mississippi, Alabama, and Louisiana have been hard hit by Hurricane Katrina, and many are victims of the storm. In these Gulf Coast states, approximately 54 health center grantees in 302 communities serve nearly 750,000 patients. We believe that more than 100 health center sites have been affected by the hurricane and its aftermath, including at least 7 health centers and their sites that are now non-operational.

Additionally, Health Centers across the region are seeing increased numbers of evacuees who are either seeking care at their centers or who are being seen at evacuee shelters and sites by health center personnel. These centers are working with their state and local health departments to respond to this public health emergency. Health Centers in states such as Texas, Arkansas, and Tennessee are seeing additional patients at their sites, as the evacuation activities expand. In response, Health Centers located in other regions of the country have sent medical supplies, providers, and other health professionals to aid health centers in the delivery of health services to affected communities.

As the Gulf Coast begins the process of recovery and rebuilding, Health Centers continue to provide health services regardless of the disaster, but are assessing their needs and those of their patients. The path forward for Health Centers and the medically-underserved communities they serve will depend on the dynamics of their patient base, including the influx of evacuees and whether existing patients return to their neighborhoods. It will also depend on the availability of adequate resources to replace and repair facilities, restock their supplies, and Section 330 grant funding and Medicaid program flexibility and reimbursement to ensure that Health Centers in the Gulf Coast and elsewhere can continue to provide urgent medical, mental health care, and enabling services to the thousands of affected individuals and families. Congress should ensure that health care safety net providers such as Health Centers can recover from Hurricane Katrina and adequately respond to the immediate and long-term health needs of Gulf Coast residents during this public health emergency.

Testimony of
Bernard Simmons
Board Chair, National Association of Community Health Centers, Inc.
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Mr. Chairman and Members of the Subcommittee, my name is Bernard Simmons. I am the Chief Executive Officer for Southwest Health Agency for Rural People, Inc., located in Tylertown, Mississippi, and also serve as Chair of the Board for the National Association of Community Health Centers. On behalf of America's Health Centers and the 15 million people they serve, I thank you for the opportunity to speak with you today about the federal Health Centers program and its vital role in the response to Hurricane Katrina and its aftermath.

Hurricane Katrina represents one of the nation's largest natural disasters. Health Centers across the country but especially those in America's Gulf Coast, have been on the front lines responding to Hurricane Katrina and the declared public health emergency. At the same time, Health Centers in the affected area have also borne the brunt of this furious storm and need resources to recover and rebuild their health care delivery systems in order to serve thousands of displaced individuals and families, and continue to expand operations where possible.

I know the devastating impact of Hurricane Katrina on America's Health Centers – our health center family lives with the aftermath everyday. Luckily, my own health center didn't suffer the kind of damage that would stop us from helping our patients, but the resulting loss of power and telephone service complicated our efforts, and the efforts of neighboring health centers, to deliver care to our patients. Our Columbia, MS site suffered wind damage to its building and

water damage sustained after the roof was destroyed. Unfortunately, this site is now non-operational. At our main site in Tylertown, we are coping with the loss power, electrical, and water service that severely affect the ability of the health center to provide services. Our experience is the experience of many, many health centers in the Gulf Coast.

GULF STATE HEALTH CENTERS BEEN SEVERELY AFFECTED BY HURRICANE KATRINA

Health Centers in Mississippi, Alabama, and Louisiana have been hard hit by Hurricane Katrina. In these Gulf Coast states, approximately 54 health center grantees in 302 communities serve nearly 750, 000 patients. We believe that more than 100 health center sites have been affected by the hurricane and its aftermath, including at least seven centers and their sites that are non-operational. Health centers in the Gulf Coast need resources to replace and repair facilities, restock their supplies, and all health centers in the region need resources to ensure that they can continue to provide urgent medical, mental health care, and enabling services to the thousands of individuals and families affected by this national disaster.

For example, in the state of Louisiana, our health centers in New Orleans are assumed destroyed after with more than \$43 million in facilities damages estimated, facilities that once served 18,000 homeless individuals. At least one temporary site has been established. Health centers in New Iberia, Shreveport and Luling are operational and seeing many evacuees. Centers have extended hours and in some cases hired temporary clinicians to handle the growing numbers of new patients.

In my home state of Mississippi, all of Coastal Family Health Center's sites located in Biloxi, have been severely damaged and some are completely destroyed. The health center did manage to open their Saucier site just north of Biloxi. They are also looking for trailers so they can continue to see patients until they can repair and rebuild. Several of the health centers have managed to reopen and report seeing patients from Louisiana.

Several health centers in Alabama were severely damaged both by wind and flooding. The Bayou La Batre Area Health Development Board experienced some structural damage, but was able to provide care despite power losses due to a generator that was installed just days before the hurricane. They were able to see patients in just one section of the building covered by the

generator. A selected group of staff from each department shared the 8 exam rooms lighted by the generator.

AMERICA'S HEALTH CENTERS ARE RESPONDING TO HURRICANE KATRINA

As a result of this disaster, health centers across the region are seeing increased numbers of Gulf Coast evacuees who are either seeking care at their centers or who are being seen at evacuee shelters and sites by health center personnel. These health centers are also working with their state and local health departments to respond to this public health emergency. Health centers in states such as Texas, Arkansas, and Tennessee are seeing additional patients at their sites, as the evacuation activities expand.

Texas health centers have opened their doors to serve an estimated 85,000 evacuees from New Orleans. According to the Texas Association of Community Health Centers, our sister organization, health centers have sent their doctors and mobile health vans to evacuation sites such as the Houston Astrodome. "We are seeing patients already today who have nothing but the clothes on their backs," said one health center in Richmond, TX that is receiving patients onsite. "We are waiving our usual registration process because they have no documentation, working them in if they're sick, giving them care and prescriptions if they have no money, and we have met with our local hospital already to collaborate on people walking in to them for routine care and medicines."

Arkansas health centers have treated or seen almost 500 evacuees either at the centers or off site at shelters (the latest estimates put the number of evacuees in the state at around 100,000) and are working with local groups and businesses, such as Wal-Mart to gather supplies for the evacuees. One health center in the state has dispatched a mobile health unit to Mississippi and Arkansas.

Health Centers located in other regions of the country are preparing to send medical supplies and providers, and other health professionals to assist health centers in the delivery of health services to affected communities. Ohio health centers are caring for more than 300 plus evacuees in Columbus and Lima, and expect well over 1,000 encounters. After heading a call from its sister health center in Mississippi, the Health Center from Fremont, OH, raised \$20,000 to send its mobile van down to the Gulf Coast to take care of the center's patients and keep the doors open.

In Georgia, the Department of Public Health has requested Health Centers' help in staffing treatment centers around the state set up to serve evacuees. Indeed, Georgia health centers have already seen approximately 1000 evacuees, and we expect that number to grow.

CONGRESS SHOULD ENSURE THE REBUILDING AND RECOVERY OF DIRECTLY IMPACTED HEALTH CENTERS AND STRENGTHEN THE HEALTH CENTER RESPONSE TO KATRINA

Health centers have always been accustomed to confronting adversity head-on and providing health and enabling services to underserved communities in the wake of the storm is no different. The first priority for health centers is attending to the physical and mental health needs of their existing patients and those who are evacuees. However, in the days, weeks, and years ahead, health centers will confront some serious policy challenges that must be addressed in order to ensure that the Health Centers program can be sustained and can adequately respond in Katrina's wake. Specifically, we believe that Congress should make funding available to:

- Rebuild, repair or restore Health Center facilities that were damaged or destroyed by the hurricane and subsequent flooding. As I illustrated earlier, dozens of facilities in LA, MS and AL will need assistance. Based on our current assessments, we estimate this cost to be **\$65 million, including** \$45m for Louisiana, \$10m for Mississippi, \$10 for Alabama.
- Enable existing health centers to serve as many displaced individuals as possible. Health centers average cost per patient is \$500 per year, among the lowest in the country. Health centers are also skilled providers of care to underserved populations. With more than 1 million displaced individuals, health centers may eventually serve more than 400,000 people, at a total cost of \$200 million.

In addition, Congress should **alter several important laws** to help health centers and their patients:

- The extension of Federal Tort Claims Act liability coverage for Health Center employees who travel offsite to provide care at health centers affected by Hurricane Katrina. HHS has indicated that FTCA coverage is only available within a state, therefore limiting health center

medical staff that could travel to help serve displaced individuals. A center in one state may be the nearest source of primary care should an emergency happen in another state. Texas is bearing a heavy burden of support for victims from Louisiana. Our centers stand ready to help, but by the interpretation just issued, they cannot do so. We can see no reason for limiting this to state lines in emergencies.

- Health Centers receive needed medical supplies and other resources through the National Pharmaceutical Stockpile, FEMA and other federal programs.

Health centers in the path of the storm and those serving evacuees in other states need the Medicaid program to respond to the needs of health centers and their patients. Medicaid is currently the single largest beneficiary of health center services, as well as health centers' single largest source of financing. We strongly believe that in order to adequately serve increasing numbers of patients, Congress should also alter the **Medicaid** program to:

- Enact emergency spending to provide Medicaid and SCHIP coverage for evacuees, and 100% reimbursement for states that are covering those who have fled the aftermath of Hurricane Katrina. Health centers believe that it is incumbent on the federal government to provide full financial support for emergency Medicaid, and to ensure that steps are taken to make it easier for Katrina evacuees to obtain health coverage under Medicaid. CMS is allowing states to count the full expected cost of these temporary programs in their financial statements to determine federal payments. Congress now needs to ensure that there is full coverage for the costs. It is essential to make a commitment to a 100% federal match which financially hard-pressed impacted states must have.
- Provide Emergency Medicaid coverage to all evacuees regardless of categorical eligibility, and expand income and assets eligibility thresholds. To date actions taken by CMS fail to waive the requirement for categorical relatedness to qualify for Medicaid. This means that thousands of hurricane victims will be left without health care coverage. Childless, destitute ill and injured adults who need medical care---if they've not yet been found formally disabled by SSA---will be denied access to this emergency, temporary Medicaid.

- Streamline Medicaid eligibility requirements and ease documentation requirements in an effort to overcome administrative barriers. CMS has waived certain provisions for determining Medicaid eligibility. However to date it has not explicitly waived asset tests. This means that second automobiles, flooded/storm-damaged homes that are now vacant and unlivable, boats, small businesses, land and farm equipment----even given their greatly-reduced equity from hurricane damages---will still have enough value to render otherwise destitute potential Medicaid eligibles "too rich" in assets.

We see every reason to tap the talents of our nation's Community, Migrant, Public Housing and Homeless Health Centers, who specialize in providing care in low-income communities throughout the nation in order to bring those unique skills to this emergency relief effort. Now, as always in the 40 year history of the Health Centers program, we are committed to being a shelter in the storm and a health care home for individuals and families in medically-underserved communities across the country.

Thank you for the opportunity to join you and I am happy to answer any questions you may have.

HOUSE COMMITTEE ON ENERGY & COMMERCE

Witness Disclosure Requirement – “Truth in Testimony” Required by House Rule XI, Clause 2(g)

Your Name: Bernard Simmons

1. Are you testifying on behalf of a Federal, State, or Local Government entity? No
2. Are you testifying on behalf of an entity other than a Government entity? Yes
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 2003:

None
4. Other than yourself, please list what entity or entities you are representing:
Southwest Health Agency for Rural People, Inc.
The National Association of Community Health Centers, Inc.
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:
Chief Executive Officer
Chair, Board of Directors
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing? No
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

<u>NACHC</u>			
FY02	BPHC	-	\$6,256,559
FY03	BPHC	-	\$5,900,000
FY04	BPHC	-	\$5,900,000
FY05	BPHC	-	\$6,351,213
	Americorps	-	\$3,142,069

Southwest Health Agency for Rural People, Inc.

Cumulative FY99 – FY04 BPHC - \$5.7 million